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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 001833

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SUBJECT: NEPAL'S ELECTION: DO THE COMBATANTS HOLD THE KEY?

Classified By: Ambassador Nancy J. Powell. Reasons 1.4 (b/d)

Summary

11. (C) In recent days, senior diplomats have told the Ambassador that if Prime Minister Koirala wishes to hold a Constituent Assembly election in November, he must come up immediately with some satisfactory solution on the Maoist combatants. UN Mission in Nepal political adviser John Norris insisted October 1 that Minister of Finance Mahat needed to release backpay now to those in the UN-monitored cantonments. The Government of Nepal would have to take other steps as well if it wanted the Maoists to participate in the election. Without something to show to their increasingly agitated cadres, the Maoists would, he warned, have little choice but to obstruct the polls. End Summary.

Do Combatants Hold the Key?

12. (C) A number of senior diplomats, including British Ambassador Hall, have made the point to the Ambassador over the past week that the key to holding the Constituent Assembly election on November 22 as scheduled is for the Government of Nepal to meet its agreement to pay each of the so-called "combatants" in the Maoist People's Liberation Army (PLA) camps. The GON also had to redouble its efforts to improve the infrastructure in the seven main divisional cantonments and the 21 satellite camps. Without these changes, the top Maoist leadership of Pushpa Dahal (aka Prachanda) and Baburam Bhattarai would not be able to persuade those less inclined to participate, such as Badal, Biplav and Vaidya, who had close ties to the combatants, to remain engaged in the political process. UN Mission in Nepal (UNMIN) political adviser John Norris made these same points to Emboff October 1.

Time To Pay Up

13. (C) Norris stressed that a small group of senior Nepali Congress leaders should not be allowed to hold up the agreed payments to all those in the UNMIN-monitored camps. He singled out Peace and Reconstruction Minister Ram Chandra

Poudel, whose Ministry has oversight over the camps, and Finance Minister Dr. Ram Sharan Mahat for preventing the payment of Nepali Rupees 3,000 (approximately USD 47) per person per month in the cantonments. So far the GON had only paid one month's worth and owes eight more. The UNMIN political adviser conceded that the Maoists had not helped their case by refusing to hold up their part of the bargain and return seized land. But he added that the tit-for-tat had to end if the election and the peace process were to survive.

Who Is In the Camps?

14. (C) The GON's Central Coordinator for Cantonment Management Avanindra Shrestha had complained to Emboff earlier on October 1 that one of the biggest problems was getting a firm grip of on the actual combatants in the camps.

He suggested that it might not be possible for the politicians and the Maoists to reach a deal on payment until UNMIN completed the second phase of the registration process -- perhaps by November. Shrestha noted that UNMIN had found large numbers of the nearly 31,000 "combatants" it had registered in the initial phase were missing when it conducted the verification phase. He cited a figure of 20 percent from both the first and second PLA divisions, according to sources in the Nepal Army. Shrestha confided that Ex-Indian Army Gurkhas guarding the weapons containers for UNMIN had estimated that 30-40 percent of the combatants were outside the cantonments at any given time. This, the Central Coordinator noted, was in clear violation of the December 2006 Agreement on Monitoring of the Management of Arms and Armies, in which the Maoists had promised that no

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more than 12 percent of the combatants would be on leave at any given time.

Numbers No Reason For Delay In Discharge

15. (C) Norris admitted that the Coordinator's 20 percent figure on missing Maoist combatants was roughly accurate and applied as well to the 6th division where UNMIN completed the second phase on September 17. He emphasized, however, that the only thing holding up discharge of those whom UNMIN had been found to be under 18 or adults recruited after the cease-fire in May 2006 was the absence of a GON commitment to pay up. Non-combatants had no incentive to leave unless they were confident they were going to get their money. In response to a question about the children in the camps, Norris confirmed that UNICEF and its partners had been ready for several months with resettlement packages, but were stymied by the lack of action by the Nepali Government. The UNMIN political adviser claimed that the Maoists had abandoned their previous insistence on the completion of verification in all seven divisions before allowing any discharges to take place.

Situation Deteriorating

16. (C) The UNMIN political adviser painted a dire picture of what would happen if steps were not taken to address growing dissatisfaction in the Maoist camps soon. Although some improvements had been made in camp infrastructure, he alleged there were still far too many in the Nepali Government who had a desire to punish the combatants or use the issue as a bargaining chip. He cited the case of 2,000 tents donated by the Government of India which had been stuck on the Nepali side of the border for weeks for lack of GON transport. He predicted that if nothing were done, there would be more and more episodes like those September 14 when Maoists left the first and fourth cantonments to demand better conditions and insist on the fulfillment of Maoist political demands, and they would involve larger and larger numbers. Moreover,

while UNMIN's verification process in the PLA seventh division was going smoothly, Norris voiced worries about what would happen when UNMIN turned to the third and fourth divisions which had hardline commanders and were believed to contain large numbers of impermissible recent recruits as well as children. He was not so sure a November date for completing the second phase would be attainable.

Knock-on Effect on Election and Peace Process

¶7. (C) Norris stated that the bigger problem was what this meant for the Constituent Assembly election and the peace process. He feared that tension in the camps might prove to be the final straw as the Maoists saw less and less to gain from participating in an election which might relegate them to political oblivion. While Norris conceded many of these problems were of the Maoists' own making, he argued that they needed something more from the GON at a time when the Maoists were feeling squeezed by their diminishing popularity and dismayed that their participation in the Interim Government formed in April 2007 had reaped little of the expected benefits. He agreed that delaying the election until the spring was also potentially disastrous and might lead to a complete breakdown in a state already struggling with serious ethnic and security challenges. The UNMIN political adviser urged the United States to use its influence with the Prime Minister to make the necessary compromises with the Maoists.

Comment

¶8. (C) The Ambassador raised the issue of the Maoist combatants when she met with Prime Minister Koirala on October 2. Koirala was clear in his assessment that the issues represents a potential bargaining chip. Of course, the Maoist combatants are only of several key issues that

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could be addressed relatively easily and could result in lessening "harder liner" pressure on the Maoist leadership and decrease the chance for a major blowup in the camps. The comments by UNMIN political adviser Norris reflect UNMIN's concern about the conditions in the camps and its desire to move forward on removing those vetted by UNMIN and found unqualified. The U.S. Government should continue to make the issue of combatants part of our message to the GON on the need to implement the peace agreements and the agreements with the minority groups. That said, post has low expectations about a quick turnaround in the positions on the Government or the Maoist side.

POWELL